

**SMALL SCHOOL BUS
REPLACEMENT/RECONDITIONING**

Technical Assistance Manual

Fiscal Year 2000-01

**CALIFORNIA DEPARTMENT OF EDUCATION
SCHOOL FISCAL SERVICES DIVISION
SACRAMENTO, CALIFORNIA**

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SMALL DISTRICT AND COUNTY OFFICES WITH ADA BELOW 2501

1 PURPOSE

This letter contains the criteria and general information needed to apply for 2000-01 grants which may be available in the small district and county office bus replacement, reconditioning, and fleet expansion program.

2 WHO IS ELIGIBLE TO APPLY

LEA's

Small school districts
and county offices

ADA

less than 2501

Authority

Education Code sections
42290 - 42293
42301.1 and 42303

2.1 ADA - Sources and exclusions

Eligibility to apply is based on average daily attendance. For school districts and county offices the ADA data to be used will be from the 1998-99 attendance reports.

To equitably compare county office and district ADA, certain types of ADA will be excluded from county office total ADA:

- County School Tuition Fund
- Juvenile Halls, Homes and Camps
- County Jail Program
- Regional Occupational Programs - Not Concurrently Enrolled
- Special Education - Nonpublic, Nonsectarian Schools
- Apprentices (Section 3074, Labor Code)
- State Hospital Students in County Operated Special Day Classes

Excluded from district ADA will be the types above (where applicable) and the Adult Education ADA for high school and unified school districts.

2.2 Small school districts

Any district under 2501 ADA is eligible to apply for a portion of any funding in the 2000-01 Budget Act provided for small school bus replacement. This continues the program begun with SB 813 in 1983.

2.3 County offices of education

County offices of education under 2501 ADA are also eligible to apply.

2.4 Cooperatives and joint powers agreements

Districts participating in cooperatives and joint powers agreements for pupil transportation are eligible to apply, but applications must be filed by or on behalf of the participating district and not for the cooperative or JPA. Contact Leslie McCage at (916) 324-4537 (e-mail: lmccage@cde.ca.gov) for special instructions on providing a listing of members and their share of the total bus fleet.

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3 FUNDING PRIORITIES

The priority for grants is in the order established in statute: (1) replacement, (2) reconditioning, and (3) expansion of the bus fleet.

3.1 Replacement

Available funds will first be allocated to bus replacement until all eligible applications are funded at the rate of one bus per district.

Replacement is limited to "...purchase of new school buses to replace existing school buses ... that do not conform to (1977) federal safety standards.", *Education Code* Section 42291(a)(1).

3.2 Reconditioning

If any funds remain after funding replacement applications, then grants will be made for bus reconditioning.

Only one application, either for replacement or reconditioning, can be submitted and only one bus can be included on an application. The reconditioning planned must include, but is not limited to, installation of Federal Motor Vehicle Safety Standard 222 seating systems and related strengthening of vehicle floors and frames. Districts and county offices contemplating reconditioning are advised to consider the remaining lifetime of the bus, the overall structural strength and condition of the bus, and should confer in advance with the California Highway Patrol regarding the approval process for the reconditioning. It is not likely that funds will be available for reconditioning.

3.3 Expansion

If any funds remain after funding all applications in the first two priorities, grants will be made for fleet expansion at the rate of one bus per district. Given the level of statewide needs for bus replacement, it is unlikely that funds will remain for applications in this category.

4 QUALIFYING CRITERIA AND RANKING METHODS

4.1 Statutory requirements

As specified in *Education Code* Section 42291(c): "The State Department of Education shall develop priority categories for funding under this section which are based solely on vehicle age and mileage. Seventy-five percent of the funds available in any fiscal year for the purposes of this section shall be distributed to school districts and county offices of education based on priority categories which utilize only vehicle age, mileage, and type of vehicle. Twenty-five percent of the funds available in any fiscal year for purposes of this section shall be based upon the condition of the vehicles to be replaced. School districts and county offices of education shall submit as evidence of the condition of the vehicle to be replaced, the most recent California Highway Patrol inspection report, a repair estimate made by an independent repair shop, and any other information requested by the department."

Separate legislation, AB 204 (Chapter 60, Statutes of 1986) requires that the Department of Education allocate funds for replacement and reconditioning of special education vehicles in the same proportion as the percentage of special education vehicles used compares to total school buses in the state.

4.2 Replacement

There are two different methods of qualifying for bus replacement: (1) the age of the bus, or (2) the condition of the bus. Neither method requires asking the California Highway Patrol to "red tag" the bus.

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4.2.1 Age and mileage

Of the funds available, 75% will be set aside for replacement based on the following table of vehicle size, expressed as the Gross Vehicle Weight Rating (GVWR), and age:

<u>GVWR (pounds)</u>	<u>Minimum age (years)</u>	<u>Mileage</u>
- 9,999	07	120,000
10,000 - 14,999	10	120,000
15,000 - 23,999	15	150,000
24,000 - 26,999	15	150,000
27,000 - 33,999	20	180,000
34,000 - 37,999	20	180,000
38,000 -	25	180,000

Use of this table allows various types and models to be compared on an equitable basis based on "excess years." Excess Years = 2001 less the date of manufacture less the minimum age from the above table. For example:

<u>Type of Bus</u>	<u>GVWR</u>	<u>Minimum Age (yrs)</u>	<u>Excess Years</u>
1974 transit	33,000	20	7
1977 conventional	26,000	15	9
1976 van	11,000	10	15

The "excess years" for each vehicle will be the basis for ranking applications for bus replacement in this category of funding. Repair estimates will not be required for applications of this type. However, copies of the most recent California Highway Patrol inspection report (Form 343A) and inspection approval certificate (Form 292) will be required to verify that the bus is currently certified for use as a school bus.

4.2.2 Condition

Twenty-five percent of replacement funds will be allocated based on the condition of the vehicle.

4.2.2.1 Major structural damage

Major structural damage due to rust, accident, or any other serious condition resulting in major damage to the bus may qualify a district for a grant. Fire or vandalism are other possible qualifying reasons.

4.2.2.2 Not repairable

Buses needing major repairs and for which repair parts are not available may qualify a district or county office for a grant. Statements from manufacturers or authorized dealers will be needed to verify the inability to obtain repair parts.

4.2.2.3 High maintenance costs are not qualifying

High maintenance costs are not a basis for qualifying for a grant based on vehicle condition. Only unique conditions rendering a bus unusable due to major safety defects and/or not repairable will be considered in this category of application. High maintenance cost buses may be applied for under the age and mileage category.

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4.3 Evidence required

If the bus is not listed on the Report of School Buses generated from Form J-143, you must include proof of date of purchase and price paid for the bus or the application will be rejected.

If applying to replace a bus based on age and mileage include a copy of CHP Form 292 (Inspection Approval Certificate). SEND NO OTHER DOCUMENTATION EXCEPT AS NOTED ABOVE.

If applying to replace a bus based on condition include copies of the following:

- (1) CHP Form 292 (Inspection Approval Certificate)
- (2) CHP Form 343A (Vehicle/Equipment Inspection Report)
- (3) Repair estimates from an independent repair facility. Estimates from another school district or county superintendent of schools performing such repairs are also acceptable. Estimates must include installation of Federal Motor Vehicle Safety Standard 222 seating systems and related strengthening of vehicle floors and frames. The supporting documentation needed will vary according to the existing conditions and may include: special reports or statements from the motor carrier inspection staff of the California Highway Patrol, surveys from recognized school bus rebuilders, insurance adjusters' reports, photographs of damage, or any other appropriate means of documentation. Applications without the proper documentation will be processed based on age and mileage.

5 LIMITATIONS

5.1 Replacement of old bus

Districts and county offices applying for and accepting grants for bus replacement must either dispose of the old school bus or permanently remove the vehicle from school bus service. For a district with fewer than three school buses, a bus shall be considered disposed of but may still be used to transport pupils if the bus is designated a temporary school bus. A temporary school bus shall be limited to annual mileage of no more than 10 percent of the annual mileage in the district over the prior five years. Districts may also dispose of the bus by converting it to perform duties other than pupil transportation. After removing lights and signs and painting the vehicles, a few old vans and school buses have been converted to maintenance & operations vehicles and mobile computer labs.

5.2 Sale of old bus

A school district that receives funding for the replacement of a school bus may sell that bus to another school district in the state pursuant to *Education Code* Section 42303 if:

- 1) the purchasing district is replacing a bus that is in service and has not been designated a temporary school bus pursuant to *Education Code* Section 42291.5
- 2) the bus being replaced by the purchasing district is older than the bus it is buying
- 3) the bus being replaced by the purchasing district is not sold to another district
- 4) the purchasing district by resolution from its governing board holds both the state and the selling district harmless for any liability that may result from the bus that is the subject of the sale
- 5) the proceeds from the sale of the bus are used by the selling district for home-to-school transportation
- 6) the bus being sold is in compliance with all relevant provisions of the Vehicle Code and Title 13

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5.3 Buses purchased

Only new buses may be purchased with grant funds.

5.4 Replacing buses purchased "used"

Applications for replacement or reconditioning grants for old buses purchased "used" from another district will be denied where a previous grant funded replacement of the bus. Applications for replacement of buses purchased "used" since July 1, 1983 and not involving any previous grant will be limited to the amount paid for the bus.

5.5 Bus out of service

Buses out of service at the time of application may be considered for grants provided the date of removal from service was not before September 1, 1998. Buses removed from service between September 1, 1997 and September 1, 1998 for which a 1999-2000 grant application based on age and mileage could not be funded, must either be put back into service to qualify for a 2000-01 grant or must qualify based on condition for a 2000-01 grant. California Highway Patrol certification as a school bus must have been in effect up to the date of removal from service stated in the application for a grant.

6 AMOUNT OF GRANTS

The amount of individual grants will vary by type of application.

6.1 Replacement

Bus replacement grant amounts will be based on the estimated price of a new vehicle of the same seating capacity as the bus being replaced. The most recent State Department of General Services contract prices for school buses provides the basis for estimating the grant amounts. As noted in Section 5.4 above, bus replacement grants for buses purchased used since July 1, 1983 will be limited to the price paid for the used vehicle.

The total apportionment a district or county office will receive is determined by subtracting the sale price of the old bus from the actual cost of the new bus. If the old bus will be retained for non-school bus use or as a temporary bus pursuant to *Education Code* Section 42291.5, substitute an appraised value for the sales price of the old bus. If the resulting net local cost is greater than the grant amount determined by the Department of Education, the district or county office will receive the full grant. It is usual for districts and county offices to select new buses that are specially equipped for local terrain and climatic conditions and are therefore more expensive than grant amounts. The effect, then, of subtracting the sales prices or appraised values for old buses from the actual costs of the new buses is that districts and county offices have been receiving full, unreduced grants.

It should be noted that current local needs and decision making will determine the bus type, size, and optional equipment to be purchased.

6.2 Reconditioning

Grants for reconditioning, if funds remain after grants for replacement have been made, will be limited to about \$15,000 per applicant. It is generally not cost efficient to invest large amounts of money reconditioning buses which are near the end of their useful life.

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6.3 Expansion

Fleet expansion grant amounts will be based on the estimated price of a new vehicle of the seating capacity needed by the district. The most recent state Department of General Services contract prices for school buses provides the basis for estimating the grant amounts.

7 CALENDAR FOR APPLICATIONS

All applicants for grants must use the standard application form "APPLICATION FOR FUNDING", Form SDE-100 supplied by the Department of Education.

<u>Date</u>	<u>Action</u>
August 2, 1999	Applications/instructions mailed
August 3, 1999 to September 29, 1999	Applications prepared
September 30, 1999	Due date for filing applications (applications will be accepted for only one month after due date - submit Form SDE-100 and related documents early to avoid disappointment - no applications accepted after October 29, 1999)
October 1, 1999 to December 31, 1999	Applications processed
January 3, 2000 to February 15, 2000	Applicants notified of ranking to be used if funds available in 2000-01
July 3, 2000 to September 29, 2000	Applicants notified of awards or non-qualifying if funds available
August 1, 2000 to October 31, 2000	First apportionment for 25% of grant amount if grants awarded
April 1, 2003	Final date to file Request for Final Apportionment if grants awarded
May 1, 2003 to May 30, 2003	Final Apportionment for 75% of grant amount if grants awarded